

New Issue

Rating: Application Made

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"): interest on the Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes; (ii) is not included as an item of tax preference in computing the federal alternative minimum tax imposed on individuals and corporations; and (iii) is not taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. The Bonds will be designated as "qualified tax-exempt obligations". See "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein for a more detailed discussion.

CITY OF ANKENY, IOWA

\$3,010,000* Sewer Revenue Bonds, Series 2010E

BIDS RECEIVED: Monday, November 15, 2010, 11:00 o'clock A.M., Central Time

AWARD: Monday, November 15, 2010, 5:30 o'clock P.M., Central Time

Dated: December 15, 2010

Minimum Bid: \$2,984,415

Principal Due: May 1, 2012-2030

Good Faith Deposit: Required of Purchaser Only

The \$3,010,000* Sewer Revenue Bonds, Series 2010E (the "Bonds") will be issued pursuant to Division V of Chapter 384 of the Code of Iowa, and resolutions to be adopted by the City Council of the City of Ankeny, Iowa (the "City"). The Bonds are being issued for the purpose of providing funds to pay costs of constructing improvements and extensions to the Municipal Sewer Utility. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY, but are payable solely and only from net revenues of the City's Municipal Sewer Utility.

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of the Bonds, payable annually on each May 1, beginning May 1, 2012 and interest on the Bonds, payable initially on May 1, 2011 and thereafter on each November 1 and May 1, will be paid to DTC by the City's Registrar/Paying Agent, Bankers Trust Company, Des Moines, Iowa (the "Registrar"). DTC will in turn remit such principal and interest to its participants for subsequent disbursements to the beneficial owners of the Bonds as described herein. Interest and principal shall be paid to the registered holder of a Bond as shown on the records of ownership maintained by the Registrar as of the fifteenth day preceding such interest payment date (the "Record Date").

The Bonds will mature May 1 in the year and amount as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2012	\$120,000	2022	\$160,000
2013	125,000	2023	165,000
2014	125,000	2024	170,000
2015	130,000	2025	175,000
2016	130,000	2026	185,000
2017	135,000	2027	190,000
2018	140,000	2028	200,000
2019	140,000	2029	210,000
2020	145,000	2030	215,000
2021	150,000		

***PRINCIPAL**

ADJUSTMENT: Preliminary; subject to change. The City reserves the right to increase or decrease the annual maturity amounts. Such change will be in increments of \$5,000 and may be in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in gross proceeds.

REDEMPTION: The Bonds due on or after May 1, 2018 will be callable May 1, 2017 at a price of par plus accrued interest to the date of redemption.

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as, and if issued subject to the legal opinion of Ahlers & Cooney, P.C., Bond Counsel, of Des Moines, Iowa, to be furnished upon delivery of the Bonds. It is expected that the Bonds will be available for delivery on or about December 20, 2010. This Preliminary Official Statement will be further supplemented by offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and underwriter, together with any other information required by law, and shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in Rule 15c2-12.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to prospective bidders. Its primary purpose is to disclose information regarding the Bonds to prospective bidders in the interest of receiving competitive bids in accordance with the NOTICE OF BOND SALE and TERMS OF OFFERING contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the "Near Final Official Statement".

Review Period: This Preliminary Official Statement has been distributed to City staff as well as to prospective bidders for an objective review of its disclosure. Comments, omissions or inaccuracies must be submitted to Public Financial Management, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of the Bonds, the legislative body will authorize the preparation of a Final Official Statement that includes the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the underwriter (the "Syndicate Manager") and syndicate members. Copies of the Final Official Statement will be delivered to the Syndicate Manager within seven business days following the bid acceptance.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations, other than those contained in the Preliminary Official Statement. This Preliminary Official Statement does not constitute any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information of the City and other sources, which are believed to be reliable.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of Public Financial Management, Inc. (the "Financial Advisor") payable entirely by the City is contingent upon the sale of the issues.

TABLE OF CONTENTS

NOTICE OF BOND SALE	i
TERMS OF OFFERING	ii
SCHEDULE OF BOND YEARS	vii
INTRODUCTION	1
Authority and Purpose.....	1
Payment of and Security for the Bonds.....	1
Book-Entry-Only System.....	3
Future Financing; Litigation.....	5
Debt Payment History; Legality.....	5
Tax Exemption and Related Considerations	6
Rating.....	8
Financial Advisor	8
Continuing Disclosure.....	8
Certification.....	9
DESCRIPTION OF THE MUNICIPAL SEWER UTILITY	10
The Sewer Utility	10
The Des Moines Metropolitan Wastewater Reclamation Authority	10
Sewer Utility Rates and Charges.....	10
Sewer Utility Sales History and Total Charges.....	11
Number of Sewer Utility Customers	11
Larger Sewer Utility Customers (FY 2009/10).....	11
Sewer Utility Funds on Hand (As of September 30, 2010)	11
Sewer Utility Employees; Pensions	11
Sewer Utility Revenue Debt.....	12
Sewer Utility Historical Cashflow and Anticipated Debt Service Coverage	14
CITY PROPERTY VALUES	15
Iowa Property Valuations.....	15
1/1/2009 Valuations (Taxes payable July 1, 2010 through June 30, 2011)	15
2009 Gross Taxable Valuation by Class of Property	15
Trend of Valuations.....	16
Larger Taxpayers	16
CITY INDEBTEDNESS	17
Debt Limit; Direct Debt	17
Other Debt.....	18
Indirect General Obligation Debt; Debt Ratios	18
Levies and Tax Collections.....	19
Tax Rates; Levy Limits	19
City Funds on Hand (Cash and Investments as of September 30, 2010)	20
THE CITY	21
City Government; Employees; Pensions	21
Union Contracts; Other Post Employment Benefits.....	21
Insurance	22
GENERAL INFORMATION	23
Location and Transportation; Larger Employers; Building Permits	23
U.S. Census Data; Unemployment Rates; Education.....	24
Financial Services	24
Financial Statements	25
APPENDIX A - FORM OF LEGAL OPINION	
APPENDIX B - JUNE 30, 2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT	
APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE	
OFFICIAL BID FORM	

Mayor & City Council

		<u>Current Term Expires</u>
Steve Van Oort	Mayor	2013
Dave Kissinger	Mayor Pro-Tem	2013
Craig Block	Council Member	2011
Wade Steenhoek	Council Member	2013
Gary Welch	Council Member	2011
Tom Strait	Council Member	2011

Administration

Carl M. Metzger, City Manager
Richard D. Ash, Assistant City Manager
James H. Spradling, Assistant City Manager
Jennifer Sease, Finance Director
Pamela DeMouth, City Clerk

City Attorney

Amy Beattie
Des Moines, Iowa

Bond Counsel

Ahlers & Cooney, P.C.
Des Moines, Iowa

Financial Advisor

Public Financial Management, Inc.
Des Moines, Iowa

NOTICE OF BOND SALE

Time and Place of Sealed Bids: Bids for the sale of Sewer Revenue Bonds, Series 2010E, of the City of Ankeny, State of Iowa, will be received at the office of the City Clerk, City Hall, 410 West First Street, Ankeny, Iowa 50023; Telephone: 515-965-6400 (the "Issuer") at 11:00 o'clock A.M., on the 15th day of November, 2010. The bids will then be publicly opened and referred for action to the meeting of the City Council in conformity with the TERMS OF OFFERING.

The Bonds: The bonds to be offered are the following:

SEWER REVENUE BONDS, SERIES 2010E, in the amount of *\$3,010,000, to be dated December 15, 2010 (the "Bonds").

*The City reserves the right to increase or decrease annual maturity amounts. Such change will be in increments of \$5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in gross proceeds.

Manner of Bidding: Open bids will not be received. Bids will be received in any of the following methods:

- Sealed Bidding: Sealed bids may be submitted and will be received at the office of the City Clerk at City Hall, 410 West First Street, Ankeny, Iowa 50023.
- Electronic Internet Bidding: Electronic internet bids will be received at the office of the City Clerk, Pam DeMouth, Ankeny, Iowa, or at the office of Public Financial Management, Inc., Attention Tionna Pooler. The bids must be submitted through the PARITY[®] competitive bidding system.
- Electronic Facsimile Bidding: Electronic facsimile bids will be received at the office of the City Clerk at City Hall, 410 West First Street, Ankeny, Iowa 50023 (facsimile number: (515-965-6416) or at the office of Public Financial Management, Inc., Attention Tionna Pooler (facsimile number 515- 243-6994). Electronic facsimile bids will be sealed and treated as sealed bids.

Consideration of Bids: After the time for receipt of bids has passed, the close of sealed bids will be announced. Sealed bids will then be publicly opened and announced. Finally, electronic internet bids will be accessed and announced.

Sale and Award: The sale and award of the Bonds will be held at the Council Chambers, City Hall, 410 West First Street, Ankeny, Iowa at a meeting of the City Council on the above date at 5:30 o'clock P.M.

Official Statement: The Issuer has issued an Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and an Official Bid Form, which is incorporated by reference as a part of this notice. The Official Statement may be obtained by request addressed to the City Clerk, City Hall, 410 West First Street, Ankeny, Iowa 50023; Telephone: 515-965-6400 or the Issuer's Financial Consultant, Public Financial Management, Inc., 2600 Grand Avenue, Suite 214, Terrace Place, Des Moines, Iowa, 50312; Telephone: 515-243-2600 .

Terms of Offering: All bids shall be in conformity with and the sale shall be in accord with the Terms of Offering as set forth in the Official Statement.

Legal Opinion: The Bonds will be sold subject to the opinion of Ahlers & Cooney, P.C., Attorneys of Des Moines, Iowa, as to the legality and their opinion will be furnished together with the printed bonds without cost to the purchaser and all bids will be so conditioned. Except to the extent necessary to issue their opinion as to the legality of the Bonds, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the Bonds.

Rights Reserved: The right is reserved to reject any or all bids, and to waive any irregularities as deemed to be in the best interests of the public.

By order of the City Council of the City of Ankeny, State of Iowa.

City Clerk, City of Ankeny, State of Iowa

TERMS OF OFFERING

CITY OF ANKENY, IOWA

In addition to the provisions of the official Notice of Bond Sale, this section sets forth the description of certain terms of the Bonds as well as the terms of offering with which all bidders and bid proposals are required to comply, as follows:

DETAILS OF THE BONDS

SEWER REVENUE BONDS, SERIES 2010E (the “Bonds”) in the principal amount of \$3,010,000* to be dated December 15, 2010, in the denomination of \$5,000 or multiples thereof, and to mature on May 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2012	\$120,000	2022	\$160,000
2013	125,000	2023	165,000
2014	125,000	2024	170,000
2015	130,000	2025	175,000
2016	130,000	2026	185,000
2017	135,000	2027	190,000
2018	140,000	2028	200,000
2019	140,000	2029	210,000
2020	145,000	2030	215,000
2021	150,000		

* Preliminary; subject to change. The City reserves the right to increase or decrease the annual maturity amounts. Such change will be in increments of \$5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in gross proceeds.

INTEREST

Interest on the Bonds will be payable on May 1, 2011 and semiannually on the 1st day of November and May thereafter. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the registrar as of the fifteenth day preceding such interest payment date (the “Record Date”). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

OPTIONAL REDEMPTION

The Bonds due on or after May 1, 2018 will be callable May 1, 2017 at the price of par plus accrued interest to the date of redemption.

LIEN

The Bonds are being issued on parity with the \$925,000 Sewer Revenue Capital Loan Notes, Series 1991 dated December 13, 1991, of which \$135,000 is currently outstanding, the \$1,785,000 Sewer Revenue Capital Loan Notes, Series 1994 dated May 2, 1994, of which \$598,000 is currently outstanding, the \$4,344,000 Sewer Revenue Capital Loan Notes, Series 1997 dated April 7, 1997, of which \$1,244,000 is currently outstanding, the \$6,130,000 Sewer Revenue Bonds, Series 2008D dated December 15, 2008, of which \$5,930,000 is currently outstanding, the \$4,544,000 Sewer Revenue Capital Loan Notes, Series 2010A dated January 20, 2010, of which \$4,544,000 is currently outstanding, the \$2,000,000 Sewer Revenue Capital Loan Notes, Series 2010B dated February 10, 2010, of which \$1,926,000 is currently outstanding will constitute a lien on the net revenues of the City’s Municipal Sewer Utility (the

“Sewer Utility”). The following are Des Moines Metropolitan Wastewater Reclamation Authority (“WRA”) payment obligations for the City’s proportionate allocated share of annual debt service on obligations issued by the WRA: the \$8,268,587 Sewer Revenue Bonds, Series 2004B dated November 17, 2004, of which \$8,124,479 is currently outstanding; the \$5,130,079 Sewer Revenue Bonds, Series 2006 dated December 21, 2006, of which \$5,026,489 is currently outstanding; the \$2,011,490 Sewer Revenue Capital Loan Notes, Series 2008A dated June 4, 2008, of which \$2,011,367 is currently outstanding; the \$1,217,544 Sewer Revenue Capital Loan Notes, Series 2008B dated June 4, 2008, of which \$1,217,338 is currently outstanding; the \$551,328 Sewer Revenue Capital Loan Notes, Series 2008D dated June 4, 2008, of which \$551,122 is currently outstanding; the \$1,748,269 Sewer Revenue Capital Loan Notes, Series 2009B dated March 18, 2009, of which \$1,748,063 is currently outstanding; the \$1,914,771 Sewer Revenue Capital Loan Notes, Series 2009C dated July 1, 2009, of which \$1,914,565 is currently outstanding; the \$1,034,697 Sewer Revenue Capital Loan Notes, Series 2010A dated May 12, 2010, of which \$1,034,967 is currently outstanding; the \$1,456,892 Sewer Revenue Capital Loan Notes, Series 2010B dated May 12, 2010, of which \$1,456,892 is currently outstanding; the \$157,155 Sewer Revenue Capital Loan Notes, Series 2010C-1 dated June 30, 2010, of which \$157,155 is currently outstanding; and the \$1,689,417 Sewer Revenue Capital Loan Notes, Series 2010C-2 dated June 30, 2010, of which \$1,689,417 is currently outstanding (collectively the “WRA Payment Obligations”). The WRA Payment Obligations will also constitute a lien on the net revenues of the Sewer Utility.

PARITY BONDS

The City reserves the right and privilege to issue additional bonds from time to time payable from the net revenues of the Sewer Utility and ranking on parity with the Bonds, in order to pay the cost of improvements and extensions to the Sewer Utility or for refunding any outstanding bonds or obligations payable from the net revenues of the Sewer Utility. Before any such bonds ranking on a parity are issued, the officially reported net revenues of the Sewer Utility for the last preceding fiscal year prior to the issuance of such parity bonds (with adjustments as provided in the resolution for the Bonds) must be equal to at least 110% of the maximum requirement that will become due in any subsequent fiscal year for both the principal of and interest on the outstanding Bonds and the parity bonds then proposed to be issued.

GOOD FAITH DEPOSIT

A Good Faith Deposit (the “Deposit”) in the amount of \$30,100 is required from the lowest bidder only. The lowest bidder is required to submit such Deposit payable to the order of the City in the form of either (i) a cashier's check provided to the City or its Financial Advisor prior to the opening of bids or (ii) a wire transfer as instructed by the City’s Financial Advisor not later than 1:00 P.M. Central Time on the day of sale of the Bonds. If not so received, the bid of the lowest bidder may be rejected and the City may direct the second lowest bidder to submit a Deposit and thereafter may award the sale of the Bonds to the same. No interest on a Deposit will accrue to the successful bidder (the “Purchaser”). The Deposit will be applied to the purchase price of the Bonds. In the event a Purchaser fails to honor its accepted bid proposal, the Deposit will be retained by the City.

FORM OF BIDS AND AWARD

All bids shall be unconditional for the Bonds for a price not less than \$2,984,415, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth under the “RATES OF INTEREST” section on the following page. Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORM provided by the City. The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (“TIC”) basis assuming compliance with the “GOOD FAITH DEPOSIT” section above. The TIC shall be determined by the “present value method”, i.e., by ascertaining the semi-annual rate, compounded semi-annually, necessary to discount as of the dated date of the Bonds, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase price offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest, which is twice the semi-annual rate so ascertained (also known as the “Canadian Method”). The TIC shall be as determined by the Financial Advisor based on the TERMS OF OFFERING and all amendments, and on the bids as submitted. The Financial Advisor's computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Bonds will be awarded by lot.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

RATES OF INTEREST

The rates of interest specified in the bidder's proposal must conform to the following limitations:

1. Each annual maturity must bear a single rate of interest from the dated date of the Bonds to the date of maturity.
2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.
3. Each rate of interest specified for any annual maturity shall not be less than a rate of interest specified for any earlier maturity. Rates must be level or in ascending order.

RECEIPT OF BIDS

No bid will be accepted after the time specified in the NOTICE OF BOND SALE. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the Office of the City Clerk, Ankeny, Iowa.

Electronic Internet Bidding: Internet bids must be submitted through the PARITY[®] competitive bidding system (the "Internet Bid System"). Information about the Internet Bid System may be obtained by calling (212) 404-8102.

Each prospective bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purposes of submitting its Internet bid in a timely manner and in compliance with the requirements of the TERMS OF OFFERING. The City is permitting prospective bidders to use the services of Internet Bid System solely as a communication mechanism to conduct the Internet bidding and the Internet Bid System is not an agent of the City. Provisions of the TERMS OF OFFERING shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Electronic facsimile bids will be received at the Office of the City Clerk, City Hall, City of Ankeny, Iowa (facsimile number: (515) 965-6416) or at the office of the City's Financial Advisor, Public Financial Management, Inc. (facsimile number: (515) 243-6994). Facsimile bids will be sealed and treated as sealed bids. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full responsibility for the transmission of such bid. Neither the City nor its agents shall be responsible for malfunction or mistake made by any person, or as a result of the use of the facsimile facilities or any other means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named fax number prior to the time of sale specified above. Time of receipt shall be the time recorded by the facsimile operator receiving the bids.

BOOK-ENTRY-ONLY SYSTEM

The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, NY, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to

beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The Purchaser, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC.

MUNICIPAL BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Bonds. The City reserves the right in its sole discretion to accept or deny changes to the financing documents requested by the insurer selected by the Purchaser.

DELIVERY

The Bonds will be delivered to the Purchaser via FAST delivery with the Registrar holding the Bonds on behalf of DTC, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within forty-five days after the sale. Should delivery be delayed beyond sixty days from the date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw their bid and thereafter their interest in and liability for the Bonds will cease. When the Bonds are ready for delivery, the City will give the Purchaser five working days notice of the delivery date and the City will expect payment in full on that date; otherwise, reserving the right at their option to determine that the Purchaser failed to comply with the offer of purchase.

INFORMATION FROM PURCHASER

The Purchaser will be required to certify to the City immediately after the opening of bids: (i) the initial public offering price of each maturity of the Bonds (not including sales to bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds (not less than 10% of each maturity) were sold to the public; or (ii) if less than 10% of any maturity has been sold, the price for that maturity determined as of the time of the sale based upon the reasonably expected initial offering price to the public; and (iii) that the initial public offering price does not exceed their fair market value of the Bonds on the sale date. The Purchaser will also be required to provide a certificate at closing confirming the information required by this paragraph.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement when further supplemented with maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a Final Official Statement of the City with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Bonds to any underwriter or underwriting syndicate submitting an OFFICIAL BID FORM therefore, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 20 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to the Participating Underwriter. Any underwriter executing and delivering an OFFICIAL BID FORM with respect to the Bonds agrees thereby that if its bid is accepted by the City, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CONTINUING DISCLOSURE

In order to assist bidders in complying with the Rule, the City will undertake, pursuant to the resolution and Continuing Disclosure Certificate for the Bonds, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in APPENDIX C of this Preliminary Official Statement. The Continuing Disclosure Certificate will be delivered at closing by the City, and any failure on the part of City to deliver the same shall relieve the Purchaser of its obligation to purchase the Bonds. The City has complied in all material respects with its previous undertakings entered into under the Rule.

CUSIP NUMBERS

It is anticipated that CUSIP numbers will be printed on the Bonds and the Purchaser must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Financial Advisor be responsible for the review of, or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Bonds shall not be cause for the Purchaser to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL
Carl M. Metzger, City Manager
City of Ankeny
410 West First Street
Ankeny, IA 50023

SCHEDULE OF BOND YEARS

\$3,010,000*

CITY OF ANKENY, IOWA

Sewer Revenue Bonds, Series 2010E

Bonds Dated: December 15, 2010

Interest Due: May 1, 2011 and each November 1 and May 1 to maturity

Principal Due: May 1, 2012-2030

<u>Year</u>	<u>Principal *</u>	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2012	\$120,000	165.33	165.33
2013	125,000	297.22	462.56
2014	125,000	422.22	884.78
2015	130,000	569.11	1,453.89
2016	130,000	699.11	2,153.00
2017	135,000	861.00	3,014.00
2018	140,000	1,032.89	4,046.89
2019	140,000	1,172.89	5,219.78
2020	145,000	1,359.78	6,579.56
2021	150,000	1,556.67	8,136.22
2022	160,000	1,820.44	9,956.67
2023	165,000	2,042.33	11,999.00
2024	170,000	2,274.22	14,273.22
2025	175,000	2,516.11	16,789.33
2026	185,000	2,844.89	19,634.22
2027	190,000	3,111.78	22,746.00
2028	200,000	3,475.56	26,221.56
2029	210,000	3,859.33	30,080.89
2030	215,000	4,166.22	34,247.11

Average Maturity (dated date): 11.378 Years

(This page has been left blank intentionally.)

OFFICIAL STATEMENT

CITY OF ANKENY, IOWA

\$3,010,000* Sewer Revenue Bonds, Series 2010E

INTRODUCTION

This Preliminary Official Statement contains information relating to the City of Ankeny, Iowa (the "City") and its issuance of \$3,010,000* Sewer Revenue Bonds, Series 2010E (the "Bonds"). This Preliminary Official Statement has been executed on behalf of the City and its Finance Director and may be distributed in connection with the sale of the Bonds authorized therein. Inquiries may be made to Public Financial Management, Inc., 2600 Grand Avenue, Suite 214, Des Moines, Iowa or by telephoning (515) 243-2600. Information can also be obtained from Ms. Jennifer Sease, Finance Director, City of Ankeny, 410 West First Street, Ankeny, Iowa 50023, telephone (515) 965-6400.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Division V of Chapter 384 of the Code of Iowa, and resolutions to be adopted by the City. The Bonds are being issued for the purpose of providing funds to pay costs of constructing improvements and extensions to the Municipal Sewer Utility.

The estimated Sources and Uses of the Bonds are as follows:

Sources of Funds

Par Amount of Bonds	\$3,010,000.00*
Accrued Interest	1,472.55
Existing Debt Service Reserve Fund	<u>1,524,330.00</u>
Total Sources	\$4,535,802.55

Uses of Funds

Project Fund	\$2,892,000.00
Accrued Interest	1,472.55
Debt Service Reserve Fund	1,577,499.46
Underwriter's Discount	25,585.00
Cost of Issuance and Contingency	<u>39,245.54</u>
Total Uses	\$4,535,802.55

Note: The sources and uses listed above are subject to change based on any adjustments to final par amounts.

*Preliminary; subject to change.

PAYMENT OF AND SECURITY FOR THE BONDS

This section is a summary of security provisions. A detailed statement of security provisions is contained in the resolution for the Bonds, which is available upon request from Public Financial Management.

Source of Payment: THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY, but are payable solely and only from a pledge of net revenues of the Municipal Sewer Utility (the "Sewer Utility"). The City pledges a lien on the net revenues of the Sewer Utility for payment of principal and interest on the Bonds and on all outstanding parity debt. The Bonds are being issued on parity with the \$925,000 Sewer Revenue Capital Loan Notes, Series 1991 dated December 13, 1991, of which \$135,000 is currently outstanding, the \$1,785,000 Sewer Revenue Capital Loan Notes, Series 1994 dated May 2, 1994, of which \$598,000 is currently outstanding, the \$4,344,000 Sewer Revenue

Capital Loan Notes, Series 1997 dated April 7, 1997, of which \$1,244,000 is currently outstanding, the \$6,130,000 Sewer Revenue Bonds, Series 2008D dated December 15, 2008, of which \$5,930,000 is currently outstanding, the \$4,544,000 Sewer Revenue Capital Loan Notes, Series 2010A dated January 20, 2010, of which \$4,544,000 is currently outstanding, the \$2,000,000 Sewer Revenue Capital Loan Notes, Series 2010B dated February 10, 2010, of which \$1,926,000 is currently outstanding will constitute a lien on the net revenues of the City's Municipal Sewer Utility (the "Sewer Utility"). The following are Des Moines Metropolitan Wastewater Reclamation Authority ("WRA") payment obligations for the City's proportionate allocated share of annual debt service on obligations issued by the WRA: the \$8,268,587 Sewer Revenue Bonds, Series 2004B dated November 17, 2004, of which \$8,124,479 is currently outstanding; the \$5,130,079 Sewer Revenue Bonds, Series 2006 dated December 21, 2006, of which \$5,026,489 is currently outstanding; the \$2,011,490 Sewer Revenue Capital Loan Notes, Series 2008A dated June 4, 2008, of which \$2,011,367 is currently outstanding; the \$1,217,544 Sewer Revenue Capital Loan Notes, Series 2008B dated June 4, 2008, of which \$1,217,338 is currently outstanding; the \$551,328 Sewer Revenue Capital Loan Notes, Series 2008D dated June 4, 2008, of which \$551,122 is currently outstanding; the \$1,748,269 Sewer Revenue Capital Loan Notes, Series 2009B dated March 18, 2009, of which \$1,748,063 is currently outstanding; the \$1,914,771 Sewer Revenue Capital Loan Notes, Series 2009C dated July 1, 2009, of which \$1,914,565 is currently outstanding; the \$1,034,697 Sewer Revenue Capital Loan Notes, Series 2010A dated May 12, 2010, of which \$1,034,967 is currently outstanding; the \$1,456,892 Sewer Revenue Capital Loan Notes, Series 2010B dated May 12, 2010, of which \$1,456,892 is currently outstanding; the \$157,155 Sewer Revenue Capital Loan Notes, Series 2010C-1 dated June 30, 2010, of which \$157,155 is currently outstanding; and the \$1,689,417 Sewer Revenue Capital Loan Notes, Series 2010C-2 dated June 30, 2010, of which \$1,689,417 is currently outstanding (collectively the "WRA Payment Obligations"). The WRA Payment Obligations will constitute a lien on the net revenues of the Sewer Utility.

Sewer Rate Covenant: The City covenants to adopt or continue in effect rates for all services rendered by the Sewer Utility to its customers, including the City, to produce gross revenues for the next fiscal year at least sufficient to pay the costs of operating, maintaining, repairing and insuring the Sewer Utility, including purchases at wholesale, if any, salaries, wages, and costs of materials and supplies and all other items normally included under recognized accounting practices (but does not include allowances for depreciation in the valuation of physical property, capital outlays or principal and interest payments on the Bonds) (which such expenses are hereinafter sometimes referred to as the "Sewer Operating Expenses"), and to leave a balance of net revenues (the "Sewer Net Revenues") equal to at least 110% of the annual installments of principal and interest on all of the Bonds and outstanding sewer parity obligations from time to time, as the same become due in the current fiscal year and to maintain a reasonable reserve for the payment of such principal and interest, as provided in the resolution for the Bonds.

Sewer Revenue Fund: The City covenants to establish a separate Sewer Revenue Fund (the "Sewer Revenue Fund") to be used in maintaining and operating the Sewer Utility, and after payment of the Sewer Operating Expenses shall, to the extent hereinafter provided, be used to pay the principal of and interest on the Bonds and any parity obligations, and to create and maintain the several separate funds as established in the resolution for the Bonds. The City covenants and agrees to establish and maintain a special fund to be known and designated as the Sewer Surplus Fund, into which there shall be set apart and paid all of the Sewer Net Revenues remaining after first making the required payments into the Sewer Sinking Fund and the Sewer Reserve Funds. All money credited to the Sewer Surplus Fund may be used to pay for extraordinary repairs or replacements to the Sewer Utility, or may be used to pay or redeem the Bonds or sewer parity obligations or any of them, for any lawful purpose.

Sewer Sinking Fund: The City covenants to maintain a Sewer Revenue Bond and Interest Sinking Fund (the "Sewer Sinking Fund"). The required amount to be deposited in the Sewer Sinking Fund in any month shall be an amount not less than one-twelfth (1/12) of the principal of all Bonds maturing on the May 1 in the next succeeding year, plus a sum equal to one-sixth (1/6) of the interest becoming due on the next succeeding interest payment date on all of the outstanding Bonds. If for any reason the amount on hand in the Sewer Sinking Fund exceeds the required amount, the excess shall forthwith be withdrawn and paid into the Sewer Revenue Fund. Money in the Sewer Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Bonds and sewer parity obligations as the same shall become due and payable.

Sewer Reserve Fund: The City covenants to maintain a separate Sewer Revenue Debt Service Reserve Fund (the "Sewer Reserve Fund"). In each month there shall be deposited in the Sewer Reserve Fund an amount equal to 25

percent of the amount required by the resolution for the Bonds to be deposited in such month in the Sewer Sinking Fund; provided, however, that when the amount on deposit in the Sewer Reserve Fund shall be not less than the reserve fund requirement, no further deposits shall be made into the Sewer Reserve Fund except to maintain such level, and when the amount on deposit in the Sewer Reserve Fund is greater than the balance required, such additional amounts shall be withdrawn and paid into the Sewer Revenue Fund. Currently the City has \$1,524,330 in the Sewer Reserve Fund. After delivery of the Bonds, the Sewer Reserve Fund will be increased to an estimated \$1,577,499 which represents 125% of the estimated average annual debt service on all outstanding Bonds and sewer parity obligations. Money in the Sewer Reserve Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Bonds and sewer parity obligations for the payment of which insufficient money shall be available in the Sewer Sinking Fund. Whenever it shall become necessary to so use money in the Sewer Reserve Fund, the payments required above shall be continued or resumed until it shall have been restored to the required minimum amount. Notwithstanding the foregoing, there shall be no deposit into the Sewer Reserve Fund with respect to the WRA Payment Obligations nor shall the Sewer Reserve Fund secure the WRA Payment Obligations.

Additional Bonds Test: The City reserves the right and privilege to issue additional sewer revenue obligations, from time to time, payable from the same source and ranking on a parity with the outstanding Bonds, in order to pay the cost of future extensions, additions, improvements or replacements to the Sewer Utility or for refunding any of the outstanding Bonds or any outstanding sewer parity obligations payable from the Sewer Net Revenues of the Sewer Utility, but before any such bonds ranking on a parity are issued, there will have been procured a statement of an independent auditor, not a regular employee of the City, reciting the opinion based upon necessary investigations that the Sewer Net Revenues of the Sewer Utility for the preceding fiscal year (with permitted adjustments) were equal to at least 1.10 times the maximum amount that will be required in any fiscal year for both principal of and interest on all of the Bonds and sewer parity obligations then outstanding and the obligations then proposed to be issued.

BOOK-ENTRY-ONLY SYSTEM

The information contained in the following paragraphs of this subsection “Book-Entry-Only System” has been extracted from a schedule prepared by Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE.” The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its

regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co., nor any other DTC nominee, will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date identified in a listing attached to the Omnibus Proxy.

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the City or Agent,

disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FUTURE FINANCING

The City has no additional borrowing plans within the next 90 days of the date of this Preliminary Official Statement.

LITIGATION

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its debt obligations.

DEBT PAYMENT HISTORY

The City knows of no instance in which it has defaulted in the payment of principal or interest on its debt.

LEGALITY

The Bonds are subject to approval as to certain matters by Ahlers & Cooney, P.C. of Des Moines, Iowa as Bond Counsel. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Preliminary Official Statement, and will express no opinion with respect thereto. The "FORM OF LEGAL OPINION" as set out in APPENDIX A to this Preliminary Official Statement, will be delivered at closing.

The legal opinion to be delivered concurrently with the delivery of the Bonds expresses the professional judgment of the attorneys rendering the opinion as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

There is no bond trustee or similar person to monitor or enforce the provisions of the resolution for the Bonds. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the

resolutions for the Bonds) may have to be enforced from year to year. The obligation to pay general ad valorem property taxes is secured by a statutory lien upon the taxed property, but is not an obligation for which a property owner may be held personally liable in the event of a deficiency. The owners of the Bonds cannot foreclose on property within the boundaries of the City or sell such property in order to pay the debt service on the Bonds. See "LEVIES AND TAX COLLECTIONS" herein, for a description of property tax collection and enforcement.

In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinion. The opinion will state, in part, that the obligation of the City with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

TAX EXEMPTION AND RELATED CONSIDERATIONS

Federal tax law contains a number of requirements and restrictions that apply to the Bonds. These include investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and facilities financed with bond proceeds, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes; (b) is not included as an item of tax preference in computing the federal alternative minimum tax imposed on individuals and corporations; and (c) is not taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

The interest on the Bonds is not exempt from present Iowa income taxes. Interest on the Bonds is included in "adjusted current earnings" to be used in computing "state alternative minimum taxable income" of corporations and financial institutions for purposes of Sections 422.23 and 422.60 of the Iowa Code, as amended. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

Qualified Tax-Exempt Obligations

The City will designate the Bonds as "qualified tax-exempt obligations".

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of Discount Bonds (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bonds. A portion of such original issue discount allocable to the holding period of such Discount Bonds by the initial purchaser

will, upon the disposition of such Discount Bonds (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "TAX EXEMPTION AND RELATED CONSIDERATIONS". Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of Discount Bonds, taking into account the semi-annual compounding of accrued interest, at the yield to maturity on such Discount Bonds and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of Discount Bonds by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bonds in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bonds were held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amount of such Bonds at maturity. An amount equal to the difference between the initial public offering price of Premium Bonds (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of Premium Bonds in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of Premium Bonds. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Related Tax Matters

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any

such payments to any bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

There are or may be pending in the Congress of the United States, legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to in this section or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal or state tax legislation.

Opinions

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinion is not binding on the Service. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

RATING

The City has requested a rating on the Bonds from Moody's Investors Service, Inc. ("Moody's"). In addition, Moody's currently maintains an underlying ratings of 'Aa3' on the City's outstanding sewer revenue debt, 'Aa3' on the City's outstanding water revenue debt, 'Aa2' on the City's long-term general obligation debt and 'MIG 1' on the City's short-term general obligation debt. Such ratings, if and, when received, will reflect only the view of the rating agency and any explanation of the significance of such ratings may only be obtained from Moody's. There is no assurance that such ratings, if and when received, will continue for any period of time or that it will not be revised or withdrawn.

FINANCIAL ADVISOR

The City has retained Public Financial Management, Inc., Des Moines, Iowa as financial advisor (the "Financial Advisor") in connection with the preparation of the issuance of the Bonds. In preparing the Preliminary Official Statement, the Financial Advisor has relied on government officials, and other sources to provide accurate information for disclosure purposes. The Financial Advisor is not obligated to undertake, and has not undertaken, an independent verification of the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other Participating Underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the resolution authorizing the issuance of the Bonds and the Continuing Disclosure Certificate, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth as APPENDIX C to this Preliminary Official Statement. The City has complied in all material respects with its previous undertakings entered into under the Rule.

Breach of the Disclosure Covenants will not constitute a default or an “Event of Default” under the Bonds or the resolution for the Bonds. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

CERTIFICATION

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. I have reviewed the information contained within the Preliminary Official Statement prepared on behalf of the City of Ankeny, Iowa, by Public Financial Management, Inc., Des Moines, Iowa, and said Preliminary Official Statement does not contain any material misstatements of fact nor omission of any material fact regarding the issuance of \$3,010,000* Sewer Revenue Bonds, Series 2010E.

CITY OF ANKENY, IOWA
/s/ Jennifer Sease, Finance Director

* Preliminary; subject to change.

DESCRIPTION OF THE MUNICIPAL SEWER UTILITY

THE SEWER UTILITY

The City owns its Municipal Sewer Utility (the “Sewer Utility”). The management and operation of the Sewer Utility is directed by the City Council. The City Council has complete authority to establish rates and charges for utility services and is not subject to rate regulation by any state agency. The Director of Municipal Utilities is responsible for implementation of City Council policies and daily operations of the Sewer Utility.

The City’s wastewater treatment facility was constructed in 1975 and underwent major renovations in 1986, 1989, 1991 and 1995. Wastewater treatment is currently provided by one plant and four pumping stations. There are approximately 200 miles of sanitary sewers in the Sewer Utility.

Sewage is treated at a plant with a maximum capacity design of 12.1 million gallons per day (“MGD”) and an average day capacity of 4.2 MGD. The Sewer Utility’s current average usage is 6.4 MGD. The plant has secondary treatment and biological processing, a pumping station, and an ultraviolet disinfection station.

THE DES MOINES METROPOLITAN WASTEWATER RECLAMATION AUTHORITY

The Des Moines Metropolitan Wastewater Reclamation Authority (the “WRA”), which includes the City, eleven surrounding communities, two counties and three sanitary sewer districts, was formed to implement wastewater conveyance and treatment facilities improvements mandated by federal law. Each WRA participant institutes user charges to cover the cost of operation of WRA facilities as well as debt payments related to the construction of improvements.

To facilitate the implementation of capital improvements to expand the treatment and conveyance capacity of the existing facility, the constituent communities have accomplished a reorganization of the WRA to provide for a financing structure that allows all participants to share in debt liability, as well as establish a mechanism for new communities to acquire ownership rights to the facility.

The new WRA is a separate legal entity created July 1, 2004, governed by an Intergovernmental Agreement under Chapters 28E (Joint Exercise of Governmental Powers) and 28F (Joint Financing of Public Works and Facilities) of the Code of Iowa.

SEWER UTILITY RATES AND CHARGES

The following Sewer Utility rates and charges were adopted May 18, 2009 and became effective as shown below.

<u>Sewer User Rates</u> <u>(per 1,000 gallons)</u>	<u>Effective July 1, 2009</u>	<u>Effective July 1, 2010</u>
Inside the City Limits	\$4.39	\$4.92
Outside the City Limits	6.59	7.38
<u>Service Availability Charge (By Meter Size):</u>		
5/8" Meter	\$11.91	\$13.34
3/4" Meter	16.86	18.88
1" Meter	26.75	29.96
1 1/2" Meter	51.47	57.66
2" Meter	81.14	90.90
3" Meter	175.10	196.16
4" Meter	496.52	556.26
6" Meter	991.02	1,110.26
8" Meter	1,732.77	1,941.26

SEWER UTILITY SALES HISTORY AND TOTAL CHARGES

<u>Fiscal year</u>	<u>Sewer Utility Charges</u>	<u>Availability Charges</u>
2005/06	\$2,805,564	\$1,313,292
2006/07	3,084,804	1,648,200
2007/08	3,714,743	1,957,692
2008/09	4,200,022	2,346,089
2009/10	4,501,180	2,522,423

NUMBER OF SEWER UTILITY CUSTOMERS

<u>Fiscal Year</u>	<u>Total</u>
2005/06	12,668 *
2006/07	13,634
2007/08	14,274
2008/09	14,806
2009/10	15,216

* Switched from housing units to meter size for the service availability charge

LARGER SEWER UTILITY CUSTOMERS (FY 2009/10)

<u>Customer Name</u>	<u>Sewer Charges</u>
John Deere – Des Moines Works	\$83,682.39
Mrs. Clarks Foods	83,547.15
Des Moines Area Community College	64,541.78
Autumn Ridge Estates	53,118.56
Karl Chevrolet	29,307.11
Splash Car Wash	23,690.46
Tone Brothers, Inc.	22,142.73
Presbyterian Homes & Services	22,001.28
Brenton Communities – Mel-Ray	17,589.85
Metro Lodging	16,421.85

SEWER UTILITY FUNDS ON HAND (As of September 30, 2010)

Operating	\$4,183,128.24
Improvement	1,498,018.12
Sinking	<u>2,258,845.17</u>
Total	<u>\$7,939,991.53</u>

SEWER UTILITY EMPLOYEES; PENSIONS

The Sewer Utility has 13 full-time employees, 9 of which are represented by the American Federation of State, County and Municipal Employees (AFSCME) Local 61. Employees are enrolled in the Iowa Public Employees Retirement System (IPERS) pension plan administered by the State of Iowa. The Sewer Utility is current in its obligation to IPERS, which has been as follows: \$42,827 in FY 2007/08; \$47,794 in FY 2008/09 and \$54,215 in FY 2009/10.

SEWER UTILITY REVENUE DEBT

Revenue Debt Supported by Sewer Utility Revenues

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/15/10</u>
12/91	\$925,000	Sewer Improvements	5/12	\$135,000
5/94	1,785,000	Sewer Improvements	5/15	598,000
4/97	4,344,000	Sewer Improvements	5/17	1,244,000
11/04	8,268,587	Sewer Improvements	6/34	8,124,479 ¹⁾
12/06	5,130,079	Sewer Improvements	6/36	5,026,489 ²⁾
6/08A	2,011,490	Sewer Imp. (SRF Loan)	6/39	2,011,367 ³⁾
6/08B	1,217,544	Sewer Imp. (SRF Loan)	6/38	1,217,338 ⁴⁾
6/08D	551,328	Sewer Imp. (SRF Loan)	6/38	551,122 ⁵⁾
12/08D	6,130,000	Sewer Improvements	5/28	5,930,000
3/09B	1,748,269	Sewer Improvements	6/39	1,748,063 ⁶⁾
7/09C	1,914,771	Sewer Improvements	6/39	1,914,565 ⁷⁾
1/10A	4,544,000	Sewer Imp. (SRF Loan)	6/30	4,544,000
2/10B	2,000,000	Sewer Imp. (SRF Loan)	6/29	1,926,000
4/10A	1,034,697	Sewer Imp. (SRF Loan)	6/40	1,034,967 ⁸⁾
4/10B	1,456,892	Sewer Imp. (SRF Loan)	6/40	1,456,892 ⁹⁾
6/10C-1	157,155	Sewer Imp. (SRF Loan)	6/32	157,155 ¹⁰⁾
6/10C-2	1,689,417	Sewer Imp. (SRF Loan)	6/32	1,689,417 ¹¹⁾
12/10E	3,010,000*	Sewer Improvements	5/30	<u>3,010,000</u> *
Total:				\$42,318,854

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (the “WRA”) and has entered into a financing agreement with the WRA to provide for the City’s share of capital contribution for the construction and ongoing expansion of a metropolitan waste water system. The WRA amounts below represent the City’s share of the principal payments of the various issues. Other participating communities within the WRA area pay the remaining amounts. Flow-based allocations are subject to change on an annual basis; as such the amount outstanding may be greater than the amount issued due to fluctuations in flow.

- ¹⁾ The City’s flow-based share of the WRA’s Series 2004B outstanding in the amount of \$62,430,000.
- ²⁾ The City’s flow-based share of the WRA’s Series 2006 outstanding in the amount of \$36,575,000
- ³⁾ The City’s flow-based share of the WRA’s Series 2008A SRF loan outstanding in the amount of \$16,519,000.
- ⁴⁾ The City’s flow-based share of the WRA’s Series 2008B SRF loan outstanding in the amount of \$5,849,000.
- ⁵⁾ The City’s flow-based share of the WRA’s Series 2008D SRF loan outstanding in the amount of \$2,648,000.
- ⁶⁾ The City’s flow-based share of the WRA’s Series 2009B SRF loan outstanding in the amount of \$8,399,000.
- ⁷⁾ The City’s flow based share of the WRA’s Series 2009C SRF loan outstanding in the amount of \$9,199,000.
- ⁸⁾ The City’s flow based share of the WRA’s Series 2010A SRF loan outstanding in the amount of \$8,500,000.
- ⁹⁾ The City’s flow based share of the WRA’s Series 2010B SRF loan outstanding in the amount of \$7,000,000.
- ¹⁰⁾ The City’s flow based share of the WRA’s Series 2010C-1 SRF loan outstanding in the amount of \$2,000,000.
- ¹¹⁾ The City’s flow based share of the WRA’s Series 2010C-2 SRF loan outstanding in the amount of \$21,500,000.

* Preliminary; subject to change.

Annual Fiscal Year Debt Service Payments of Sewer Revenue Debt (Includes the Bonds)

Fiscal Year	CITY ISSUED DEBT						WRA ISSUED DEBT		TOTAL	
	Current Outstanding		The Bonds		Subtotal		City's Portion of WRA Debt		Total Outstanding	
	Principal	Principal & Interest	Principal*	Principal & Interest*	Principal*	Principal & Interest*	Principal	Principal & Interest	Principal*	Principal & Interest*
FY 2010-11	\$1,096,000	\$1,659,449		\$40,053	\$1,096,000	\$1,699,502	\$403,167	\$1,348,454	\$1,499,167	\$3,047,956
FY 2011-12	997,000	1,525,131	\$120,000	226,024	1,117,000	1,751,155	468,867	1,441,128	1,585,867	3,192,282
FY 2012-13	852,000	1,347,757	125,000	229,128	977,000	1,576,885	552,437	1,523,395	1,529,437	3,100,280
FY 2013-14	676,000	1,143,763	125,000	226,915	801,000	1,370,678	571,030	1,522,679	1,372,030	2,893,357
FY 2014-15	705,000	1,150,045	130,000	229,365	835,000	1,379,410	606,458	1,548,181	1,441,458	2,927,591
FY 2015-16	574,000	995,305	130,000	226,349	704,000	1,221,654	630,103	1,556,792	1,334,103	2,778,446
FY 2016-17	588,000	988,690	135,000	227,943	723,000	1,216,633	654,175	1,556,313	1,377,175	2,772,946
FY 2017-18	586,000	964,640	140,000	229,042	726,000	1,193,682	677,611	1,554,560	1,403,611	2,748,242
FY 2018-19	612,000	968,073	140,000	224,660	752,000	1,192,733	705,010	1,555,837	1,457,010	2,748,570
FY 2019-20	641,000	972,713	145,000	224,984	786,000	1,197,697	785,555	1,607,360	1,571,555	2,805,056
FY 2020-21	672,000	977,763	150,000	224,865	822,000	1,202,628	866,378	1,655,331	1,688,378	2,857,958
FY 2021-22	702,000	979,953	160,000	229,315	862,000	1,209,268	899,884	1,652,150	1,761,884	2,861,418
FY 2022-23	733,000	981,613	165,000	228,219	898,000	1,209,832	939,537	1,653,653	1,837,537	2,863,484
FY 2023-24	764,000	981,503	170,000	226,801	934,000	1,208,304	979,135	1,653,338	1,913,135	2,861,641
FY 2024-25	801,000	985,583	175,000	225,052	976,000	1,210,635	1,020,810	1,653,341	1,996,810	2,863,976
FY 2025-26	843,000	990,803	185,000	227,964	1,028,000	1,218,767	1,062,945	1,651,958	2,090,945	2,870,724
FY 2026-27	880,000	988,863	190,000	225,324	1,070,000	1,214,187	1,105,364	1,648,991	2,175,364	2,863,177
FY 2027-28	924,000	990,863	200,000	227,325	1,124,000	1,218,188	1,149,655	1,646,022	2,273,655	2,864,210
FY 2028-29	426,000	447,930	210,000	228,745	636,000	676,675	1,196,193	1,643,345	1,832,193	2,320,020
FY 2029-30	<u>305,000</u>	314,150	<u>215,000</u>	224,568	<u>520,000</u>	538,718	1,245,767	1,641,840	1,765,767	2,180,558
FY 2030-31							1,296,315	1,638,902	1,296,315	1,638,902
FY 2031-32							1,349,431	1,636,288	1,349,431	1,636,288
FY 2032-33							1,277,374	1,506,135	1,277,374	1,506,135
FY 2033-34							1,331,066	1,503,409	1,331,066	1,503,409
FY 2034-35							767,746	881,634	767,746	881,634
FY 2035-36							797,735	881,177	797,735	881,177
FY 2036-37							482,686	534,430	482,686	534,430
FY 2037-38							498,100	534,157	498,100	534,157
FY 2038-39							481,620	501,488	481,620	501,488
FY 2039-40							<u>129,698</u>	133,914	129,698	133,914
Total	\$14,377,000		\$3,010,000*		\$17,387,000*		\$24,931,852		\$42,318,852*	

* Preliminary; subject to change.

SEWER UTILITY HISTORICAL CASHFLOW AND ANTICIPATED DEBT SERVICE COVERAGE

The following table presents audited Sewer Utility operating revenues and expenditures for the three-year period ending June 30, 2007 through June 30, 2009 and unaudited revenues and expenditures for the fiscal year ended June 30, 2010. Based on the 2009 audited financial data, net revenues available for debt of \$3,864,604 would provide 1.21 times coverage of the projected \$3,192,283 maximum annual debt service in fiscal year 2012 (including the Series 2010E Bonds) as shown on the previous page.

	Audited Financial Statements			Unaudited
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
OPERATING REVENUES				
Sales to Customers	\$3,065,133	\$3,642,594	\$4,734,555	\$4,462,614
Other Revenues	<u>2,575,957</u>	<u>2,283,887</u>	<u>2,251,776</u>	<u>2,897,346</u>
Total Operating Revenues	\$5,641,090	\$5,926,481	\$6,986,331	\$7,359,959
OPERATING EXPENSES				
Personal Services	\$912,640	\$987,814	\$1,019,315	\$1,092,190
Contractual Services	976,279	871,687	1,902,854	1,018,667
Operating Expense	<u>223,641</u>	<u>144,148</u>	<u>226,959</u>	<u>1,238,191</u>
Total Operating Expense	\$2,112,560	\$2,003,649	\$3,149,128	\$3,349,047
NET OPERATING REV	\$3,528,530	\$3,922,832	\$3,837,203	\$4,010,912
Interest on Reserves	<u>93,096</u>	<u>73,438</u>	<u>27,401</u>	<u>28,057</u>
Revenue for Debt Service	\$3,621,626	\$3,996,270	\$3,864,604	\$4,038,969
Revenue for Debt Service	\$3,621,626	\$3,996,270	\$3,864,604	\$4,038,969
Ankeny Sewer Debt Service	6/1/2007	6/1/2008	6/1/2009	6/1/2010
Sewer Debt Service	\$925,237	\$902,934	\$880,577	\$1,365,378
WRA Debt	<u>492,852</u>	<u>760,736</u>	<u>980,217</u>	<u>1,025,367</u>
Total Parity Revenue Debt	\$1,418,089	\$1,663,670	\$1,860,794	\$2,390,745
G.O. Bond Debt Service	\$142,071	\$246,184	\$470,176.31	\$638,816
Total Debt Service	\$1,560,160	\$1,909,854	\$2,330,970	\$3,029,561
Debt Service Coverage				
Net Revenues/ Revenue Debt	2.55 X	2.40 X	2.08 X	1.69 X
Net Revenues/ All Debt	2.32 X	2.09 X	1.66 X	1.33 X
Unrestricted Ending Cash Balance	\$5,241,257	\$5,886,040	\$6,538,066	\$5,984,694
Cash % of O&M (net of depr)	248%	294%	208%	179%

CITY PROPERTY VALUES

IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The 2009 final Actual Values were adjusted by the Polk County Auditor. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2009, the Taxable Value rollback rate was 46.9094% of Actual Value for residential property; 66.2715% of Actual Value for agricultural property; and 100% of Actual Value for commercial, industrial, railroad and utility property.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 4% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

1/1/2009 VALUATIONS (Taxes payable July 1, 2010 through June 30, 2011)

	<u>100% Actual Value</u>	<u>Taxable Value (With Rollback)</u>
Residential	\$2,673,211,940	\$1,236,013,400
Commercial	600,996,510	600,996,510
Industrial	61,474,170	61,474,170
Railroads	1,140,732	1,140,732
Utilities w/o Gas & Electric	<u>5,788,325</u>	<u>5,788,325</u>
Gross valuation	\$3,342,611,677	\$1,905,413,137
Less military exemption	<u>(3,434,778)</u>	<u>(3,434,778)</u>
Net valuation	\$3,339,176,899	\$1,901,978,359
TIF increment - (used to compute debt service levies and constitutional debt limit)	\$171,913,600	\$171,913,600
Taxed separately		
Ag. Land	\$6,167,600	\$4,087,410
Ag. Buildings	\$172,050	\$114,040
Gas & Electric Utilities	\$39,667,718	\$26,928,467

2009 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY

	<u>Taxable Valuation</u>	<u>Percent Total</u>
Residential	\$1,236,013,400	63.97%
Commercial, Industrial and Utility	668,259,005	34.58%
Gas & Electric Utilities	26,928,467	1.39%
Railroads	<u>1,140,732</u>	<u>0.06%</u>
	\$1,932,341,604	100.00%

¹⁾ Excludes Taxable TIF Increment, Ag. Land and Ag. Buildings.

TREND OF VALUATIONS

Assessment <u>Year</u>	Payable <u>Fiscal Year</u>	<u>100% Actual Valuation</u>	<u>Taxable Valuation (With Rollback)</u>	<u>Taxable TIF Increment</u>
2005	2006-07	\$2,587,793,872	\$1,392,188,577	\$137,270,000
2006	2007-08	2,903,344,716	1,547,601,937	139,675,000
2007	2008-09	3,242,327,958	1,687,233,461	156,191,910
2008	2009-10	3,429,961,702	1,831,059,633	156,056,000
2009	2010-11	3,557,097,867	1,928,906,826	171,913,600

The 100% Actual Valuations, before rollback and after the reduction of military exemption, include Ag. Land, Ag. Buildings, TIF Increment and Gas & Electric Utilities. The Taxable Valuations, with the rollback and after the reduction of military exemption, include Gas & Electric Utilities and exclude Ag. Land, Ag. Buildings and the Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding the Taxable TIF Increment and debt service levies are certified against Taxable Valuation including the Taxable TIF Increment.

LARGER TAXPAYERS

<u>Taxpayer</u> ¹⁾	<u>Type of Property/Business</u>	<u>1/1/2009 Taxable Valuation</u>
Denny Elwell Family LC	Commercial/Real Estate Development	\$28,243,280
Mid-American	Utility	26,927,793
Casey's Retail Company	Commercial/Convenience Store	23,706,100
ACH Food Companies Inc ²⁾	Commercial/Spice Distribution	23,528,000
Deere & Company	Commercial/Farm & Construction Equipment	23,428,000
Perishable Distributors of Iowa	Commercial/Food Distribution	17,504,120
Ankeny North Mob LLC ³⁾	Commercial	16,344,000
Wal-Mart	Commercial/Retail	15,608,000
Karl Chevrolet	Commercial/Automobile Sales	15,370,000
Menard Inc	Commercial/Retail	12,434,000

¹⁾ This list represents some of the top taxpayers in the City, not necessarily the top 10 taxpayers.

²⁾ Formerly Tones Brothers Inc.

³⁾ Formerly Signature Properties LLC.

Source: Polk County Auditor's Office

CITY INDEBTEDNESS

DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the actual value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2009 Actual Valuation currently applicable to the Fiscal Year 2010-11, is as follows:

2009 Actual Valuation of Property	\$3,560,532,645
Less: Military Exemption	<u>(3,434,778)</u>
Subtotal	\$3,557,097,867
Legal Debt Limit of 5%	<u>0.05</u>
Legal Debt Limit	\$177,854,893
Less: Outstanding G.O. Debt	<u>(131,261,000)</u>
Net Debt Limit	\$46,593,893

DIRECT DEBT

General Obligation Debt Supported by Property Taxes

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/15/10</u>
5/03B	\$9,000,000	Retire Bond Anticipation Notes	6/14	\$3,925,000
5/05B	14,790,000	Retire Bond Anticipation Notes	6/18	10,625,000
5/06B	5,695,000	Retire Bond Anticipation Notes	6/17	4,230,000
5/07B	13,040,000	Retire Bond Anticipation Notes	6/18	10,835,000
5/08B	11,985,000	Retire Bond Anticipation Notes	6/19	10,970,000
5/08C	22,425,000	City Improvements	6/28	22,325,000
4/09A	3,000,000	City Improvement	6/28	2,881,000
5/09B	32,010,000	Retire Bond Anticipation Notes	6/28	32,010,000
5/09C	13,200,000	City Improvements	6/11	13,200,000
5/09D	2,220,000	Refunding	6/12	1,285,000
5/10C	7,920,000	Refunding	6/21	7,920,000
6/10D	11,055,000	City Improvements	6/12	<u>11,055,000</u>
Total				\$131,261,000

OTHER DEBT

Revenue Debt Supported by Water Utility Revenues

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/15/10</u>
10/01	\$908,000	Water System Improvements	6/21	\$564,000
11/05C	4,025,000	Water System Improvements	6/25	3,300,000
12/06C	3,890,000	Water System Improvements	6/26	3,470,000
12/08E	4,400,000	Water System Improvements	6/28	<u>4,255,000</u>
Total				\$11,589,000

INDIRECT GENERAL OBLIGATION DEBT

<u>Taxing District</u>	<u>1/1/2009 Taxable Valuation¹⁾</u>	<u>Percent In City</u>	<u>G.O. Debt</u>	<u>City's Proportionate Share</u>
Polk County	\$19,700,035,299	10.69%	\$209,064,000	\$22,348,942
Ankeny Community School District	2,315,175,769	90.66%	80,935,000	73,375,671
Saydel Community School District	619,689,105	1.53%	2,455,000	37,562
North Polk Community School District	284,761,269	0.07%	1,920,000	1,344
Des Moines Area Community College	35,124,092,931	5.99%	79,220,000	<u>4,745,278</u>
City share of total overlapping debt				\$100,508,797

¹⁾ Includes Ag. Land, Ag. Buildings, all Utilities and Taxable TIF Increment.

DEBT RATIOS

	<u>G.O. Debt</u>	<u>Debt/Actual Market Value (\$3,557,097,867)¹⁾</u>	<u>Debt/36,161²⁾ Population</u>
Total General Obligation Debt	\$131,261,000	3.69%	\$3,629.91
City's share of overlapping debt	\$100,508,797	2.83%	\$2,779.48

¹⁾ Based on the City's 2009 actual valuation of property; includes Ag. Land, Ag. Buildings, all Utilities and TIF Increment.

²⁾ Based on the City's 2005 Special City Census.

LEVIES AND TAX COLLECTIONS

<u>Fiscal Year</u>	<u>Levy</u>	<u>Collected During Collection Year</u>	<u>Percent Collected</u>
2006-07	\$19,099,609	\$19,072,266	99.86%
2007-08	20,636,106	20,613,047	99.89%
2008-09	23,179,689	23,120,955	99.75%
2009-10	25,998,010	25,971,613	99.90%
2010-11	28,214,886	-----In Process of Collection-----	

Collections include delinquent taxes from all prior years. Taxes in Iowa are delinquent each October 1 and April 1 and a late payment penalty of 1% per month of delinquency is enforced as of those dates. If delinquent taxes are not paid, the property may be offered at the regular tax sale on the third Monday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property and funds so received are applied to taxes. A property owner may redeem from the regular tax sale but, failing redemption within three years, the tax sale purchaser is entitled to a deed, which in general conveys the title free and clear of all liens except future tax installments.

TAX RATES

	<u>FY 2006-07 \$/\$1,000</u>	<u>FY 2007-08 \$/\$1,000</u>	<u>FY 2008-09 \$/\$1,000</u>	<u>FY 2009-10 \$/\$1,000</u>	<u>FY 2010-11 \$/\$1,000</u>
Polk County	6.34845	6.84207	6.83696	6.82855	6.81833
City of Ankeny	10.33956	10.28956	10.52956	11.17646	11.17646
Ankeny CSD	16.70575	17.90637	19.58053	19.84290	22.34576
Saydel CSD	13.38621	13.62992	13.67722	13.98315	13.97723
North Polk CSD	n.a. ¹⁾	17.46387	17.77387	17.39071	18.26638
Des Moines Area Community College	0.68688	0.60276	0.56386	0.56778	0.56008
Broadlawns Medical Center	3.49157	2.96959	2.92408	2.80423	2.92111
County Assessor	0.29738	0.31349	0.32711	0.30104	0.27848
County Ag. Extension	0.03771	0.03703	0.03717	0.03752	0.03631
Des Moines Regional Transit Authority	0.08789	0.10939	0.12117	0.22946	0.24290
State of Iowa	0.00400	0.00350	0.00350	0.00300	0.00340
Total Tax Rate City Resident					
- Ankeny CSD	37.99919	39.07376	40.92394	41.79094	44.38283
Total Tax Rate City Resident					
- Saydel CSD	34.67965	34.79731	35.02063	35.93119	36.01430
Total Tax Rate City Resident					
- North Polk CSD	n.a. ¹⁾	38.63126	39.11728	39.33875	40.30345

¹⁾ The City annexed property in the North Polk Community School District in FY 2007-08.

LEVY LIMITS

A city's general fund tax levy is limited to \$8.10 per \$1,000 of taxable value, with provision for an additional \$0.27 per \$1,000 levy for an emergency fund which can be used for general fund purposes (Code of Iowa, Chapter 384, Division I). Cities may exceed the \$8.10 limitation upon authorization by a special levy election. Further, there are limited special purpose levies, which may be certified outside of the above-described levy limits (Code of Iowa, Section 384.12). The amount of the City's general fund levy subject to the \$8.10 limitation is \$7.13301 for Fiscal Year 2010-11. The City does levy a portion of costs for an Aviation Authority and employee benefits in addition to the \$8.10 general fund limit as authorized by law. Debt service levies are not limited.

CITY FUNDS ON HAND (Cash and Investments as of September 30, 2010)

<u>Budgeted Funds:</u>	
General Fund	\$3,643,215.70
Special Revenue:	
Fire Gift	\$28,137.13
Hotel/Motel Tax	213,508.08
Hawkeye Park Player Fees	7,357.55
Police Gift	2,135.08
Road Use Tax	471,095.37
Police Seizure	143,639.86
Tax Increment Financing	936,157.14
Economic Development	(13,304.00) ¹⁾
Police and Fire Retirement	673,350.87
Debt Service	3,411,531.18
Trust:	
Library Gift	245.13
Park Dedication	323,005.83
Sports Complex Foundation	24,103.50
Ankeny Garden Club	431.79
Recreational Activities	21,051.16
Dog Park	55,677.11
Arts Council	90,767.14
Keep Ankeny Beautiful	5,549.37
Civic Trust Fund	406.19
Deferred Compensation	118,774.11
Enterprise:	
Solid Waste	\$69,469.16
Utility Deposits	52,398.32
Water Operations	583,205.88
Water Improvement	1,255,350.00
Water Sinking	1,395,846.61
Sewer Operations	4,183,128.34
Sewer Improvement	1,498,018.12
Sewer Sinking	2,258,845.17
Storm Water	388,560.11
Golf Course	(298,381.65) ²⁾
Capital Project:	
Special Assessments	\$1,200,219.76
Capital Projects	12,778,309.37
Total Budgeted Funds:	<u>\$35,521,804.48</u>
<u>Unbudgeted Funds</u>	
Trust:	
Contractor's Bonds	\$57,716.70
Ankeny Foundation	5,217.73
Internal Service:	
Revolving	\$100,443.79
Risk Management	(91,696.96) ³⁾
Health Insurance	2,387,054.54
Economic Development Revolving	1,013,625.63
Equipment Reserve	562,399.99
Total Unbudgeted Funds:	<u>\$4,034,761.42</u>

- 1) Deficit is temporary and is expected to be eliminated through a budgeted transfer at fiscal year end.
- 2) Deficit is temporary and is expected to be eliminated through user fees and budgeted transfers.
- 3) Deficit is temporary and is to be eliminated through a budgeted transfer on December 31, 2010.

THE CITY

CITY GOVERNMENT

The City of Ankeny, Iowa (the “City”), incorporated in 1903, operates under a Mayor/Council/City Manager form of government. The City Council is the governing body of the City, consisting of five members elected at large. The City Manager, Carl M. Metzger, was appointed by the Council and is responsible for the day-to-day operations of the City. The Mayor is elected for a term of four years. Under the direction of the City Manager are department directors who administer the specific services offered by the City. In addition, the City Council appoints citizens to serve on special commissions and boards.

EMPLOYEES; PENSIONS

The City has 194 full-time employees, 88 part-time employees and 175 temporary employees, including a police force of 52 sworn personnel and a fire department of 74 full and part-time fire fighters and paramedics. All of the City’s 457 employees, with the exception of full-time police and fire employees are eligible for inclusion in the Iowa Public Employees Retirement System (the “IPERS”) pension plan administered by the State of Iowa (the “State”). The City is current in its obligation to IPERS, their contributions to the plan for the last three years has been: \$500,404 in Fiscal Year 2007-08, \$572,991 in Fiscal Year 2008-09 and \$631,912 in Fiscal Year 2009-10.

The City contributes to the Municipal Fire and Police Retirement System of Iowa (the “MFPRSI”), a benefit plan administered by a Board of Trustees. MFPRSI provides retirement, disability and death benefits that are established by State statute to plan members and beneficiaries. Plan members are required to contribute 9.40% of their earnable compensation and the City’s contribution rate is 19.90% of earnable compensation. The City is current in its obligation to MFPRSI, their contributions to MFPRSI for the last three years has been: \$684,696 in Fiscal Year 2007-08, \$545,111 in Fiscal Year 2008-09 and \$552,553 in Fiscal Year 2009-10.

UNION CONTRACTS

The City currently has negotiated contracts with two employee groups. The Ankeny Police Department Employee’s Union (Teamsters Local #238) and the AFSCME Union (Public Works, Public Utilities, Park & Recreation, and Golf Course employees). The Ankeny Career Firefighters is a newly formed collective bargaining unit approved by vote of the eligible full-time employees of the fire department. The unit will be affiliated with and represented by the International Association of Firefighters (IAFF) union. Negotiation of an initial collective bargaining agreement will begin sometime after October 21, 2010.

The ASCME Union negotiated a three-year contract with a wage freeze in fiscal year 2011 and wages adjusted only by the increase in the consumer price index (the “CPI”) with no step advancement in fiscal year 2012. Fiscal year 2013 includes an adjustment for CPI, as well as 5% step advancements on July 1, 2012 and June 30, 2013. The Ankeny Police Department Employee’s Union negotiated a three-year contract with a wage freeze in fiscal year 2011 and 5% step advancements on July 1, 2011, July 1, 2012 and January 1, 2013.

OTHER POST EMPLOYMENT BENEFITS

In addition to providing pension benefits, the City offers health insurance benefits to its retirees. Retirees can purchase health insurance at the group rate cost. Health insurance for these retirees, while at the individual’s own expense, is included within the City’s overall insurance package. Therefore, a portion of the coverage is being subsidized by the City and its current employees. Based on the results of the City’s actuarial study, it has been estimated that the City’s accrued liability is \$203,600 with an annual required contribution for Fiscal Year 2009-10 of \$33,000.

INSURANCE

The City's insurance coverage is as follows:

<u>Type of Insurance</u>	<u>Coverage</u>
Liability	
Legal Liability Limit	\$10,000,000
Automotive Liability Limit	\$10,000,000
Wrongful Acts	\$10,000,000
Law Enforcement Liability	\$10,000,000
Liquor Liability	\$1,000,000
Appeal, Bail, Property Release Bonds	Unlimited
Claim and Defense Expenses	Unlimited
Pollution Cost for Automobiles	\$10,000,000
Employee Benefit	\$1,000,000
Good Samaritan	\$10,000,000 Each
Medical Malpractice	\$10,000,000
Post/Pre-Judgment Interest	Unlimited
Stop Gap	\$10,000,000
Under/Uninsured Motorist	\$500,000
Employee Dishonesty	\$100,000/\$500,000
Chlorine, Pesticides, Anti-skid Materials	\$10,000,000
Fire Department and Training	\$500,000
Wastewater Treatment Plant-Liability/Clean-up Expense	\$50,000 Each, \$50,000 Aggregate
Sewer Backup	\$250,000 Each, \$250,000 Aggregate
Property	
Buildings	\$66,283,933
Personal Property	\$7,508,659
Data Processing Equipment/Accounts Receivable	\$100,000
Newly Constructed/Acquired Buildings	\$2,000,000
Personal Property at Newly Acquired Locations	\$1,000,000
Valuable Papers and Records	\$100,000
Earnings Protection	\$100,000
Ordinance or Law	\$250,000
Commandeered Property	\$250,000
Expediting Expenses	\$250,000
Preservation of Property	\$250,000
Temporary Storage	\$250,000
Pollutant Cleanup	\$100,000
Transit	\$100,000
Boiler	\$1,000,000
Earthquake	\$20,000,000
Employee Dishonesty	\$50,000
Errors or Omissions	\$500,000
Fine Arts	\$19,500
Worker's Compensation	Statutory
Employee Health Insurance	\$2,000,000 per Member

GENERAL INFORMATION

LOCATION AND TRANSPORTATION

The City is located in central Iowa, approximately six miles north of downtown Des Moines, Iowa and midway between Kansas City, Missouri and Minneapolis, Minnesota. The City is located on Interstate 35, Interstate 80, which bisects Iowa from east to west, passes less than ten miles south of the City. Ankeny's strategic location is reflected in the number of freight and transportation facilities servicing the City, including 60 motor freight carriers and the Chicago and North Western Transportation Company (railroad). In addition, the City is serviced by the Des Moines International Airport.

LARGER EMPLOYERS

A representative list of larger employers in the City is as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u> ¹⁾
John Deere Des Moines Works	Farm Equipment	1,500
Ankeny Community Schools	Education	1,381
Des Moines Area Comm. College	Higher Education	1,380
Perishable Distributors of Iowa, LTD	Wholesale Meat/Bakery Distributor	513
Tone Brothers, Inc.	Spice Manufacturing/Distribution	509
City of Ankeny	Municipal Government	457
Casey's General Stores	Retail/Distribution	450
SYSCO Food Services of Iowa, Inc.	Wholesale Distribution	259
Praxair	Industrial Gases/Welding Equip.	177
Mrs. Clark's Foods	Manufacturing and Distribution	153

¹⁾ Includes full-time, part-time and seasonal employees.

Source: Information provided by the City.

BUILDING PERMITS

City officials report the following construction activity as of August 31, 2010. Permits for the City are reported on a calendar year basis.

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Residential Construction:</u>					
No. of new permits:	845	581	372	422	345
Valuation:	\$136,156,818	\$107,924,995	\$68,646,221	\$82,430,948	\$73,948,040
<u>Commercial Construction:</u>					
No. of new permits:	30	26	21	11	7
Valuation:	\$29,709,708	\$38,933,191	\$42,473,891	\$12,251,100	\$5,306,062
Total Permits	875	607	393	433	352
Total Valuations	\$165,866,526	\$146,858,186	\$111,201,112	\$94,682,048	\$79,254,102

U.S. CENSUS DATA

Population Trend

1980 U.S. Census	15,429
1990 U.S. Census	18,482
2000 U.S. Census	27,117
2005 Special Census	36,161
2009 U.S. Census Estimate	42,648

Source: U.S. Census Bureau website.

UNEMPLOYMENT RATES

		<u>City of Ankeny</u>	<u>Polk County</u>	<u>State of Iowa</u>
Annual Averages:	2006	2.2%	3.5%	3.8%
	2007	2.2%	3.5%	3.7%
	2008	2.6%	4.0%	4.1%
	2009	3.7%	5.7%	6.0%
	2010 (Jan. – Aug.)	4.6%	6.7%	6.8%

Source: Iowa Workforce Development

EDUCATION

Public education is provided by the Ankeny Community School District, with an estimated enrollment of 8,343 students for the 2009-10 school year. The Ankeny Community School District, with approximately 1,381 full-time and part-time employees, owns and operates a preschool, eight elementary schools, two middle schools and one senior high school. In addition, a middle school and a senior high school are also under construction. The Saydel Community School District and the North Polk Community School District also provide public education to residents of the City. Higher education in the area is provided by Des Moines Area Community College located within the City. Simpson College, Iowa State University, Drake University and Upper Iowa University are also higher education institutions within the area. Private education is provided by Ankeny Christian Academy and the Faith Baptist Bible College and Seminary.

FINANCIAL SERVICES

Financial services for the residents of the City are provided by Community State Bank and branch offices of Bank of the West, Bankers Trust Company, First American Bank, First Federal Savings Bank of Iowa, First National Bank Ames, Iowa, Great Southern Bank, Liberty Bank, FSB, Northwest Bank, U.S. Bank, N.A., Valley Bank and Wells Fargo Bank, N.A. Community State Bank reports the following deposits as of June 30:

<u>Year</u>	<u>Community State Bank</u>
2006	\$406,565,000
2007	440,988,000
2008	469,479,000
2009	437,717,000
2010	398,577,000

Source: Federal Deposit Insurance Corporation website.

FINANCIAL STATEMENTS

The City's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009 is reproduced in APPENDIX B. The City's certified public accountant has not consented to distribution of the audited financial statements and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City's prior Comprehensive Annual Financial Reports may be obtained from the City's Financial Advisor, Public Financial Management, Inc.

(This page has been left blank intentionally.)

APPENDIX A

FORM OF LEGAL OPINION

(This page has been left blank intentionally.)

AHLERS & COONEY, P.C.

100 COURT AVENUE, SUITE 600
DES MOINES, IOWA 50309-2231
PHONE: 515-243-7611
FAX: 515-243-2149
WWW.AHLERSLAW.COM

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Ankeny, State of Iowa (the "Issuer"), relating to the issuance of Sewer Revenue Bonds, Series 2010E, by the City, dated December 15, 2010, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$_____.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

We have not been engaged to or undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.

2. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer. The Resolution creates a valid first lien on the net revenues of the Municipal Sewer Utility pledged by the Resolution for the security of the Bonds.

The lien of the Bonds ranks on a parity as to the pledge of revenues with respect to other bonds outstanding and Additional Bonds. The right to issue Additional Bonds is reserved upon conditions set forth in the Resolution.

3. The Bonds have been duly authorized, issued and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the sources provided therefore in the Resolution.

4. The interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes; (b) is not included as an item of tax preference in computing the federal alternative minimum tax imposed on individuals and corporations; and (c) is not taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. We express no opinion regarding other federal income tax consequences caused by the receipt or accrual of interest on the Bonds.

For the purpose of rendering the opinion set forth in paragraph numbered 4 above, we have assumed compliance by the Issuer with requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be so

included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with such requirements.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

672629.1 10174381

APPENDIX B

JUNE 30, 2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT

(This page has been left blank intentionally.)

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(This page has been left blank intentionally.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Ankeny, State of Iowa (the "Issuer"), in connection with the issuance of \$_____ Sewer Revenue Bonds, Series 2010E, (the "Bonds") dated December 15, 2010. The Bonds are being issued pursuant to a Resolution of the Issuer approved on December 6, 2010 (the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, VA 22314.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA".

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Iowa.

SECTION 3. Provision of Annual Reports.

- (a) The Issuer shall, or shall cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of the Issuer's fiscal year (presently June 30th), commencing with the report for the 2009/2010 fiscal year, provide to the National Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Report may be submitted as a single document or as separate documents comprising a package. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).
- (b) If the Issuer is unable to provide to the National Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.
- (c) The Dissemination Agent shall:
 - (i) each year file the Annual Report with the National Repository; and
 - (ii) (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Report has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

- (a) The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- b) A table, schedule or other information of the type contained in the final Official Statement under the captions "Sewer Utility Rates and Charges", "Sewer Utility Sales History and Total Charges", "Number of Sewer Utility Customers", "Larger Sewer Utility Customers", and "Sewer Utility Revenue Debt".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

- (a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event;
 - (1) Principal and interest payment delinquencies;
 - (2) Non-payment related defaults, if material;
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
 - (5) Substitution of credit or liquidity providers, or their failure to perform;
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;
 - (7) Modifications to rights of Holders of the Bonds, if material;
 - (8) Bond calls and tender offers (excluding sinking fund mandatory redemptions), if material;
 - (9) Defeasances of the Bonds;
 - (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
 - (11) Rating changes on the Bonds;
 - (12) Bankruptcy, insolvency, receivership or similar event of the Issuer;
 - (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

- (b) Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.
- (c) If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be

given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____ day of _____, 2010.

CITY OF ANKENY, STATE OF IOWA

By: _____
Mayor

ATTEST:

By: _____
City Clerk

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Ankeny, Iowa.

Name of Bond Issue: \$_____ Sewer Revenue Bonds, Series 2010E

Dated Date of Issue: December 15, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____ day of _____, _____.

CITY OF ANKENY, STATE OF IOWA

By: _____
Its: _____

OFFICIAL BID FORM

TO: City Council
City of Ankeny, Iowa

Sale Date: November 15, 2010
11:00 AM Central Time

RE: \$3,010,000* Sewer Revenue Bonds, Series 2010E (the "Bonds")

For all or none of the above the Bonds, in accordance with the TERMS OF OFFERING, we will pay you \$_____ (not less than \$2,984,415) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>	<u>Coupon</u>	<u>Maturity</u>
_____	2012	_____	2022
_____	2013	_____	2023
_____	2014	_____	2024
_____	2015	_____	2025
_____	2016	_____	2026
_____	2017	_____	2027
_____	2018	_____	2028
_____	2019	_____	2029
_____	2020	_____	2030
_____	2021		

* Preliminary; subject to change. The City reserves the right to increase or decrease annual maturity amounts. Such change will be in increments of \$5,000 and may be made in any of the maturities. The purchase price of the issue will be adjusted proportionately to reflect any change in gross proceeds.

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated November 1, 2010. In the event of failure to deliver these Bonds in accordance with the TERMS OF OFFERING as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST COST: _____% (Calculated to dated date of December 15, 2010)

Account Manager: _____ By: _____

Account Members:

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Ankeny, Iowa this 15th day of November, 2010.

Attest: _____ By: _____

Title: _____ Title: _____